

THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

UNITED STATES OF AMERICA

v.

Case No. 1:22-CR-190

COLBY JOHN KOPP,

a.k.a MADHATTERPHARMA,
a.k.a. HATMATTER,

Defendant.

STATEMENT OF FACTS

The United States and the defendant, Colby John Kopp, agree that the allegations in the Indictment and the following facts are true and correct, and that had this matter proceeded to trial, the United States would have proven them beyond a reasonable doubt with admissible and credible evidence:

1. Beginning in at least April 2020 and continuing through February 2021, within the Eastern District of Virginia and elsewhere, the defendant, COLBY JOHN KOPP ("KOPP"), also known as "MadHatterPharma," and "hatmatter," did knowingly, intentionally, and unlawfully combine, conspire, confederate, and agree with others, known and unknown to the Grand Jury, to distribute 40 grams or more of a mixture and substance containing a detectable amount of N-phenyl-N-[1-(2-phenylethyl)-4-piperidinyl] propenamide, commonly referred to as fentanyl, a Schedule II controlled substance, in violation of Title 21, United States Code, Sections 841(a)(1) and 846.

2. The objective of the conspiracy was to make money through the distribution of controlled substances, including fentanyl, in the Eastern District of Virginia, as well as in Connecticut and elsewhere. KOPP, ADRIANA BEATRICE SUTTON (“SUTTON”), Unindicted Co-Conspirator One (“UCC-1”), Unindicted Co-Conspirator Two (“UCC-2”), and others used darknet marketplaces to conduct drug trafficking business. KOPP created, maintained, and controlled darknet marketplace accounts to further the Connecticut-based fentanyl distribution operation. As a darknet marketplace vendor, KOPP and other members of the conspiracy used the moniker “MadHatterPharma” to engage in the sale of counterfeit pressed pills containing fentanyl. KOPP and his co-conspirators operated vendor accounts on several darknet marketplaces, including Empire Market, Dark Market, Icarus, and White House.

3. Over the course of the conspiracy, KOPP ordered kilograms of baby blue Firmapress tableting mix from www.LFAtabletpresses.com and had it shipped to 38 James Street in Torrington, Connecticut. KOPP and his co-conspirators used the tableting mix and a pill press and die punches to manufacture pressed pills containing fentanyl that were intended to look like genuine 30 milligram Percocet pills. Members of the conspiracy used the residence at 38 James Street to store fentanyl, to make pressed pills containing fentanyl, and to package drug parcels in preparation for shipment.

4. KOPP and others created the “MadHatterPharma” vendor profile on Empire Market on May 4, 2020. The only product listed for sale were illegal narcotics. MadHatterPharma offered only one product for sale, which was listed as “M/30 OXYCODONE PERCOCET 30MG,” and was described as pills pressed with fentanyl and morphine. MadHatterPharma advertised the narcotics as, “PRODUCT IS STRONG! START WITH HALF A PILL AND MOVE UP FROM

THERE! PILLS ARE MADE WITH HIGH QUALITY INGREDIENTS! Professional stealth and pharmacy grade compression binder used. Pills are hard and don't crumble during shipping."

5. KOPP and his co-conspirators sold the fentanyl pills for \$9 each for orders of up to 99 pills. The price was scaled so each pill was \$8 for orders of 100 to 200 pills, \$7.50 for 201 to 300 pills, and \$7 for orders of between 301 and 9,999 pills. The MadHatterPharma profile stated that the minimum order was ten pills for first-time buyers and 20 pills for returning customers. As of August 13, 2020, KOPP and his co-conspirators had completed at least 554 deals or transactions as MadHatterPharma on Empire Market.

6. KOPP and his co-conspirators created a vendor account on Dark Market in or around September 2020, using the moniker MadHatterPharma. KOPP and his co-conspirators referred to the product listed for sale as "blues," and "the same M/30 presses from Empire." As of December 10, 2020, KOPP and his associates had completed at least 232 sales as MadHatterPharma on Dark Market.

7. KOPP and other members of the conspiracy used the "About" page on the MadHatterPharma vendor profiles to tell customers about who was operating the store. On Empire Market, the MadHatterPharma "About" page stated, in part, "We are an experienced group of professionals that have been in the game for years . . . We specialize in bulk shipping. Our prices for all products we offer will be focused on bulk supply. We like to be the plug's plug . . . We look forward to working with you all, lets all get fucking rich!" On Dark Market, the description read, "We are MADHATTERPHARMA from Empire and Icarus. We have had a 98% positive feedback on Empire Market with 550 sales and 100% positive feedback on Icarus Market with 60 sales."

8. KOPP and his co-conspirators accepted Bitcoin as payment for fentanyl pills and shipped them to customers across the United States using the United States Postal Service

(“USPS”).

9. To avoid detection, the defendant and his co-conspirators mailed drug parcels that did not have their true names and addresses listed as the return information, deposited those parcels at various USPS collection boxes, and handled packages in a manner to attempt to avoid leaving fingerprints.

10. KOPP used Coinbase, a company that provides a secure platform to buy, sell, and store cryptocurrency like Bitcoin. KOPP transferred proceeds of sales of pressed pills containing fentanyl to his Coinbase account as well as a Coinbase account registered to SUTTON.

11. KOPP used PayPal to receive proceeds of the drug sales that he transferred from his Coinbase account to his PayPal account.

12. KOPP, SUTTON, UCC-1, and other members of the conspiracy used Bitcoin ATMs to sell illicit Bitcoin proceeds for U.S. Currency.

13. From April 2020, and continuing through January 2021, KOPP ordered a total of nine kilograms of baby blue Firmapress tableting mix from www.LFAtabletpresses.com to make counterfeit pressed pills containing fentanyl.

14. Between April 2020 and February 2021, KOPP ordered at least nine kilograms of baby blue Firmapress tableting mix from www.LFAtabletpresses.com over seven transactions to make counterfeit pressed pills containing fentanyl.

15. In July 2020, KOPP ordered accessories for a manual pill press machine on two occasions, including two punches and a die which were used to stamp “M” and “30” on a pressed pill.

16. Between August 2020 and November 2020, an FBI agent acting in an undercover capacity (hereinafter “the UC”) completed five controlled purchases of fentanyl from

MadHatterPharma and hatmatter. For each of the orders, KOPP provided the UC a unique Bitcoin address assigned to KOPP's Coinbase account where the UC sent payment for the pills. KOPP and his co-conspirators sent each shipment of fentanyl to an FBI undercover mailbox in the Eastern District of Virginia.

17. The UC placed a sixth order, paying \$910 for 100 fentanyl pills from hatmatter, but never received the shipment.

18. In total, KOPP, SUTTON, UCC-1, UCC-2, and others sold approximately 75.38 grams of fentanyl to the FBI, summarized by the following chart:

Date of Purchase	Date of Receipt	Platform	Amount of Pills Ordered	Amount Received
8/14/2020	8/20/2020	Empire Market	10 pills	2.27 grams
9/5/2020	9/10/2020	Wickr	20 pills	3.61 grams
9/26/2020	10/1/2020	Wickr	100 pills	25.9 grams
10/13/2020	10/19/2020	Wickr	100 pills	20.22 grams
11/16/2020	11/23/2020	Wickr	120 pills	23.38 grams

19. The tablets received by law enforcement had markings of "M" and "30" which are consistent with known markings for 30 milligram Percocet tablets.

20. Throughout the conspiracy, SUTTON converted the drug proceeds from Bitcoin into cash and distributed it to other members of the conspiracy. From June 2020 through December 2020, KOPP transferred Bitcoin to SUTTON a total of 11 times, totaling over \$14,000. On each occasion, SUTTON withdrew the funds from a Coin Cloud ATM within 24 hours of KOPP transferring it to her.

21. In total, between May 2020 and January 2021, KOPP transferred over \$140,000 of Bitcoin to SUTTON's Coinbase account, all of which was proceeds from the sale of pressed fentanyl pills.

22. During that same time period, SUTTON withdrew over \$122,000 in cash from Bitcoin ATMs in over 100 transactions.

23. The defendant handled at least one package containing fentanyl pills as evidenced by the fact that the defendant's fingerprints were located on the external packaging of the shipment received by the FBI on September 10, 2020.

24. During and in furtherance of the conspiracy, the defendant was personally responsible for, or it was reasonably foreseeable that his co-conspirators in furtherance of the conspiracy, distributed at least 400 grams but not more than 1.2 kilograms of fentanyl (Offense level 30).

25. This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include each and every fact known to the defendant or to the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant's case.

26. The actions of the defendant, as recounted above, were in all respects knowing and deliberate, and were not committed by mistake, accident, or other innocent reason.

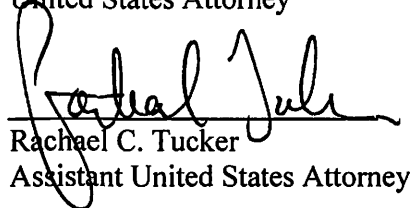
27. If the defendant breaches the plea agreement, then pursuant to the plea agreement, she waives any rights under Federal Rule of Criminal Procedure 11(f), Federal Rule of Evidence 410, the United States Constitution, and any federal statute or rule in objecting to the admissibility of the statement in any such proceeding.

Respectfully submitted,

Jessica D. Aber
United States Attorney

Date: December 6, 2022

By:


Rachael C. Tucker
Assistant United States Attorney

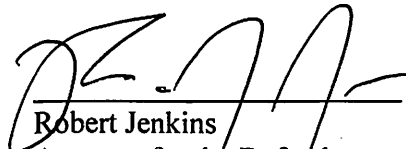
Defendant's Signature: After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, COLBY JOHN KOPP, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that if the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Date 1-17-23


Colby John Kopp
Defendant

Defense Counsel's Signature: I am the defendant's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is informed and voluntary.

Date 1-17-23


Robert Jenkins
Attorney for the Defendant